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TAGS: PREL PGOV PTER KPAL KWBG IS GOI INTERNAL ISRAELI PALESTINIAN AFFAIRS COUNTERTERRORISM GAZA DISENGAGEMENT SUBJECT: SHARON STAYS HIS COURSE FOLLOWING HADERA BOMBING

Classified By: Ambassador Richard H. Jones for reasons 1.4 (B) and (D).

(C) Summary: The October 26 suicide bombing of the Hadera market by Palestinian Islamic Jihad (PIJ) that claimed the lives of five Israelis and wounded 20 has resulted in a cycle of violence that -- barring significant additional casualties -- experience indicates will be short-term. As it has done following attacks in the past, the GOI has temporarily frozen all high-level talks with the PA, but continues contacts on lower levels, including negotiations on Rafah and the crossings. The GOI's security response has also followed established patterns, with the IDF employing targeted killings, precision airand artillery strikes, arrests, low-level overflights, and movement restrictions against the Palestinians. The Israeli press reacted with stoic resignation, generally refraining from attacks on disengagement or Sharon, but often questioning the utility of the security barrier. Sharon remains in control on the Israeli side, and seems determined to continue on his previous course even ordering the evacuation of several recently-established outposts yesterday. Barring additional terrorist attacks involving Israeli casualties and/or attacks out of Gaza, we expect that the GOI will be prepared to resume high-level talks with the PA well before the PLC election. End summary.

Sharon-Abbas Meeting on Hold, but GOI-PA Contacts Continue

- 12. (S) As it has done following attacks in the past, the GOI has temporarily frozen all high-level contacts with the PA and renewed calls for Abbas to act against extremists. On October 27, Sharon announced that he would not meet with Abbas under such conditions, effectively postponing a summit that had originally been scheduled for the beginning of October. Sharon also cautioned that "if the PA does not take serious and tangible steps against terrorism, there will be no diplomatic progress." DefMin Mofaz made the most pessimistic comments, telling the press that "I am not sure that we will ever be able to reach a peace agreement with the current Palestinian leadership. We will have to wait for the next generation. The most we can expect in the meantime is perhaps another interim agreement." Several high-ranking IDF officers have echoed these thoughts in conversations with DAO, saying they do not believe they have a Palestinian security partner.
- 13. (C) Working-level discussions between the GOI and PA on technical issues related to Gaza crossings continue. Gabi Golan, Advisor to the Prime Minister for Planning and Development, told EconCouns on October 28 that significant progress has been made with the Egyptians on details and protocols for Rafah and that despite Hadera the GOI is prepared to meet with PA representative on October 30 to discuss the issue. The USG representative on Wolfensohn's team confirmed that trilateral talks of the Rafah Steering Group are on track for October 30. The PM's foreign policy advisor, Shalom Tourgeman, also confirmed this to the Ambassador noting that if necessary, additional meetings on Rafah would be held on Tuesday, November 1, and Saturday evening, November 5. Tourgeman added that he should be ready to hold discussions on the study of transportation links between the West Bank and Gaza with AID consultants by Tuesday or Wednesday of next week.

Determined -- and Predictable -- IDF Response Targets PIJ

- 14. (S) The response by Israeli security services to the Hadera bombing has followed patterns set after September's rocket attacks from Gaza, the July bombing in Netanya, and the February bombing at the Stage Disco in Tel Aviv. IDF officers have told DAO that following disengagement the IDF is seeking to establish and maintain a robust level of deterrence, with a particular focus on Gaza. The IDF continues to use tactics that it is has employed in the past, including:
- -- targeted killings: On October 27, UNRWA reported that an IDF aircraft fired on a car in Gaza's Jabalya refugee camp, killing seven -- including PIJ operative Shadi Mahanna -- and wounding 19 others. Targeted killings never fully ceased despite a lull during disengagement.
- -- airstrikes and artillery fire: As it did in September,

the IDF has shelled areas in northern Gaza used to launch rocket attacks into Israel, including access roads. UNRWA reports that an electrical transformer near Gaza City was also hit, resulting in power outages. According to UNRWA, Palestinians have launched 13 rockets toward Israel in the past two days.

- -- arrests: On October 27 the IDF detained approximately 17 suspects in raids near Tulkarm and in Jenin. In the past few months, Israeli security services have arrested hundreds of suspects in the West Bank. The IDF has also increased troop strength along the Gaza border.

 Newly-appointed IDF Chief of Operations (J3) MG Gadi Eisencott and Deputy Chief of Military Intelligence BG Yosi Kupperwasser both told DAO that they believe the GOI will avoid using ground operations for deterrence operations in Gaza in the near term. Eisencott cautioned, however, that another attack like that in Hadera could result in a large-scale IDF offensive in the northern West Bank.
- -- overflights: At an event in Tel Aviv on October 27, PA Deputy PM and Information Minister Nabil Shaath told poloff that IDF aircraft have broken the sound barrier over Gaza repeatedly each night since the Hadera bombing.
- -- movement restrictions: Following shootings in the West Bank last week, the GOI tightened restrictions for Palestinians in the area. These measures include increased numbers of checkpoints and roadblocks, reported limitations on the use of private automobiles, and resulted in the de-facto separation of the northern West Bank from other Palestinian areas.
- -- closure of crossings: The Karni and Erez crossings between Gaza and Israel were closed following the Hadera attack, although Israeli officials maintain that this action was the result of concrete threats against the crossings themselves and not a result of the Hadera bombing. UNRWA reports that Erez is now open for internationals only. Karni is open on October 28 only for food products entering Gaza. Although prices in Gaza have increased on some goods, such as sugar and meat, contacts report no serious shortage of food. Consumption generally increases, however, in preparation for the Eid holiday, so the impact of crossing closures, and of abbreviated hours when crossings are open, may be more apparent in the coming days.
- 15. (C) The IDF's primary target has been Islamic Jihad, which claimed that the Hadera market bombing was in retaliation for the October 25 killing by Israeli security forces of Luay Saadi, its military leader in the Tulkarm area. The GOI has nonetheless also arrested other suspects, including Hamas members. PM Sharon announced that "we must seek out these murderers and strike at them wherever they are found," and said Israel's response "will be wide-ranging and continuous until we have brought about the cessation of terrorism." IDF Chief of Staff Halutz declared "a war to the bitter end" against PIJ. Halutz is on record as willing to assume a higher level of collateral damage after disengagement, and he openly quarreled with his then chief of operations about the appropriate response to rocket attacks in September. Press reports indicate disagreements between Halutz, who supports a take-off-the-gloves approach, and new Shin Bet Chief Diskin, who has cautioned against non-surgical strikes that could draw other Palestinian factions into the fight.

Press Reaction and Questions About the Barrier's Utility

16. (U) The Israeli press reacted to the latest suicide bombing and IDF response with stoic resignation, largely refraining from attacks on Sharon or disengagement. Noting that the Netanya bomber had passed through a gate in the security barrier and speculating that the Hadera terrorist had done the same, several editorials questioned the utility of the fence. Alex Fishman wrote in the Hebrew-language Yedioth Ahronoth, Israel's largest circulation newspaper, that "after the terror attack in Hadera, we find ourselves back at square one, back in the same place we were in 2004, before Arafat's death." Ben Caspit, a senior analyst for Ma'ariv, the country's other mass circulation Hebrew-language daily, said, "we have to get used to it: this will happen occasionally ... The most we can expect ... is to maintain a tolerable rate of terror attacks, one every few months instead of a few every month, and the understanding that it won't be easy, it won't be quick, and it won't always be pleasant." The English-language Jerusalem Post, anticipating calls for a restrained Israeli reaction to the Hadera bombing, called on the international community to "spare us the lectures about how defending ourselves is futile and the wisdom of 'humanitarian' measures that lay the groundwork for the next atrocity."

Sharon Remains on Course

17. (C) Comment: The cycle of violence after the Hadera bombing closely follows previous patterns. Strong statements by Sharon, Mofaz, and others should be read at face value, as determination to protect Israeli citizens at almost any cost, but not as unconditional pledges to pursue unlimited punitive action absent additional terrorist attacks. With the Knesset winter session beginning on October 31, Sharon will again face routine no-confidence October 31, Sharon will again face routine no-confidence motions submitted by opposition parties that have little chance of mustering the necessary 61-vote majority. Sharon remains in control on the Israeli side, and — while sensitive to threats from his political right — seems determined to continue on his previous course. Sharon and Mofaz (a loyal Sharon supporter who often takes the harder line in public) have not been deterred by the Hadera attack from ordering the forced evacuation of several new outposts. from ordering the forced evacuation of several new outposts established on October 26 near the settlements of Alon Moreh, Qedummim, Efrata, and Qiryat Arba. Barring additional terrorist attacks involving Israeli casualties, including rocket or suicide attacks originating in Gaza that result in Israeli deaths, we expect that the GOI will be prepared to resume high-level talks with the PA well before the PLC election.

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